



NEWS FROM

Congressman Bobby L. Rush

PROUDLY REPRESENTING THE PEOPLE OF THE FIRST CONGRESSIONAL DISTRICT OF ILLINOIS

700-706 E. 79th Street
Chicago, IL 60619
phone: 773-224-6500
fax: 773-224-9624

3235 W. 147th Street
Midlothian, IL 60445
phone: 708-224-6500
fax: 708-385-3860

2416 Rayburn HOB
Washington, DC 20515
phone: 202-225-4372
fax: 202-226-0333

www.house.gov/rush/

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CONTACT: Sharon Jenkins

(202) 225-4372 ofc.; (202) 431-8191 mobile
Sharon.Jenkins@mail.house.gov

- or -

Stephanie Gadlin

(773) 224-6500 ofc.; (202) 286-9829 mobile
Stephanie.Gadlin@mail.house.gov

Chairman Rush Opening Statement for

Subcommittee on Commerce, Trade and Consumer Protection:

Hearing on: "Examining the Status of U.S. Trade with Cuba and Its Impact on Economic Growth"

Monday, April 27, 2009

WASHINGTON, D.C. — "The subcommittee will come to order. I want to thank the Members of the subcommittee for participating in the first trade hearing on Cuba in the 111th Congress.

"I recently visited Cuba with my colleagues in the Congressional Black Caucus. We met with President Raul Castro, and CBC Chairwoman Barbara Lee and I personally met with former Cuban President Fidel Castro. A lot has been said and written about that trip to Cuba and about that meeting.

"Because of travel restrictions, many Americans don't know what Cuba has become. What I witnessed there compelled me to call this hearing to assess U.S. trade policies towards Cuba.

"I believe our current trade policy with Cuba is a failure. We must re-evaluate our trade policy's impact on both the American and the Cuban people.

"I strongly believe that expanding and diversifying our exports to Cuba will be beneficial for both countries. Some argue the current embargo should be maintained as a political tool that has proved to be effective, as was the case with South Africa. However, the current embargo on Cuba is not a multi-lateral one, and we are in a different political and economic context today. Unilateral sanctions are usually problematic and ineffective.

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"Cuba has opened its doors to the entire world and the world has walked in. All nations in the Americas, except the United States, have resumed diplomatic relations with Cuba. All of our economic competitors, including China, Brazil, Mexico, Japan, Canada and the European Union are currently trading with Cuba.

"Cuba has also made it clear that the same doors are open to the U.S., and our policies should not prevent American companies from doing business with the Cuban people. We are looking for new markets to penetrate. Our companies want to compete globally and our unemployed workers want jobs. Now is not the time to ignore all of the opportunities that are presented to us, and I believe Cuba should be treated like our other trading partners with similar political and economic conditions.

"Liberalizing trade with Cuba is not without precedent and has already proven beneficial to both the United States and the Cuban people. In 2000, when I and other members of Congress voted to approve a modest opening of trade, the overall exports to Cuba rose from \$7 million in 2001 to \$404 million in 2004. However, the "cash in advance" rule initiated by the previous Administration in 2005 has complicated an already difficult process and has caused Cuba to cut back on imports from the U.S. Nonetheless, since 2001, the United States has been Cuba's largest supplier of food and agricultural products, with almost \$2.7 billion in total sales.

"Having said all this, I am not naïve, nor am I blind to Cuba's challenges. It is undeniable that Cuba has serious political, economic, financial and social problems. Like many developing countries, Cuba has many regulatory hurdles. To be sure, political and economic reform must be initiated by Havana inside Cuba's borders. However, it is also undeniable that some progress has been made, and that the embargo, in many instances, has actually increased the suffering of the very people we are trying to assist.

"Since the fall of the Berlin Wall, approximately 28 nations have undergone transitions from communist regimes. Countries that were less isolated from the West achieved more successful and prosperous democracies than those that were isolated. I believe that Cuba can make a similar transformation if we fully integrate the island nation in the global community.

"I commend President Obama for his leadership in easing the current restrictions on Cuba. This is the first step in the right direction. I support a more rapid move towards normalization of our

trading relationship with Cuba. Today's hearing is just the beginning of a series of steps I intend to take to do all I can to both open up markets for U.S. commerce—especially for small, minority- and women-owned businesses—while also helping to bring liberty and prosperity to the Cuban people.

“I yield back the balance of my time.”

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